



125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 1200

H.P. 891

House of Representatives, March 21, 2011

**An Act To Authorize the Health Care Choice Compact To Permit
the Purchase of Health Insurance from New Hampshire**

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative McKANE of Newcastle.
Cosponsored by Senator SNOWE-MELLO of Androscoggin and
Representatives: FITZPATRICK of Houlton, KNAPP of Gorham, MORISSETTE of Winslow,
PICCHIOTTI of Fairfield, RICHARDSON of Warren, Senator: WHITTEMORE of Somerset.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 24-A MRSA §405, sub-§6**, as enacted by PL 1969, c. 132, §1, is amended
3 to read:

4 **6.** Any suit or action by the duly constituted receiver, rehabilitator or liquidator of
5 the insurer, or of the insurer's assignee or successor, under laws similar to those contained
6 in chapter 57 (~~delinquency proceedings; rehabilitation and liquidation~~); or

7 **Sec. 2. 24-A MRSA §405, sub-§7** is enacted to read:

8 7. Transactions pursuant to individual health insurance covering residents of this
9 State written by a New Hampshire insurer or health maintenance organization pursuant to
10 the Health Care Choice Compact established in section 405-A if the superintendent
11 certifies that the New Hampshire insurer or health maintenance organization meets the
12 requirements of section 405-A.

13 **Sec. 3. 24-A MRSA §405-A** is enacted to read:

14 **§405-A. Health Care Choice Compact for individual health insurance**

15 **1. Health Care Choice Compact established.** Pursuant to the federal Patient
16 Protection and Affordable Care Act, Public Law 111-148, Section 1333, the State is
17 authorized to join with New Hampshire to establish the Health Care Choice Compact to
18 permit the sale of individual health insurance in this State by a New Hampshire insurer or
19 health maintenance organization in accordance with the requirements of this section. As
20 used in this section, "New Hampshire insurer or health maintenance organization" means
21 an insurer or health maintenance organization that holds a valid certificate of authority to
22 transact individual health insurance in New Hampshire.

23 **2. Certification of New Hampshire insurers or health maintenance**
24 **organizations.** A New Hampshire insurer or health maintenance organization may not
25 transact individual health insurance in this State by mail, the Internet or otherwise unless
26 the superintendent has issued a certification that the New Hampshire insurer or health
27 maintenance organization has met the requirements of this subsection. The superintendent
28 shall issue a certification or deny certification within 30 days of a request.

29 A. A policy, contract or certificate of individual health insurance offered for sale in
30 this State by a New Hampshire insurer or health maintenance organization must
31 comply with the applicable individual health insurance laws in New Hampshire and
32 must be actively marketed in that state.

33 B. A New Hampshire insurer or health maintenance organization shall meet the
34 requirements of section 4302 for reporting plan information with respect to individual
35 health plans offered for sale in this State and disclose to prospective enrollees how
36 the health plans differ from individual health plans offered by domestic insurers in a
37 format approved by the superintendent within 90 days of the effective date of this
38 section. Health plan policies and applications for coverage must contain the following
39 disclosure statement or a substantially similar statement: "This policy is issued by a

1 New Hampshire insurer or health maintenance organization and is governed by the
2 laws and rules of (New Hampshire insurer's or health maintenance organization's
3 state of domicile). This policy may not be subject to all the insurance laws and rules
4 of the State of Maine, including coverage of certain health care services or benefits
5 mandated by Maine law. Before purchasing this policy, you should carefully review
6 the terms and conditions of coverage under this policy, including any exclusions or
7 limitations of coverage."

8 C. A New Hampshire insurer or health maintenance organization shall meet the
9 requirements of section 4303, subsection 4 for grievance procedures with respect to
10 health plans offered for sale in this State.

11 D. A New Hampshire insurer or health maintenance organization shall meet the
12 requirements of chapter 56-A for provider network adequacy with respect to health
13 plans offered for sale in this State.

14 E. A New Hampshire insurer or health maintenance organization shall meet the
15 requirements of chapter 27 with respect to rates for individual health plans offered for
16 sale in this State.

17 F. A New Hampshire insurer or health maintenance organization shall designate an
18 agent for receiving service of legal documents and process in the manner provided in
19 this title.

20 G. A New Hampshire insurer or health maintenance organization shall meet the
21 requirements of this Title with respect to allowing the superintendent access to
22 records of the New Hampshire insurer or health maintenance organization.

23 **3. Unfair trade practices.** The provisions of chapter 23 apply to a New Hampshire
24 insurer or health maintenance organization permitted to transact individual health
25 insurance under this section or section 405.

26 **4. Compliance with court orders.** A New Hampshire insurer or health maintenance
27 organization shall comply with lawful orders from courts of competent jurisdiction issued
28 in a voluntary dissolution proceeding or in response to a petition for an injunction by the
29 superintendent asserting that the New Hampshire insurer or health maintenance
30 organization is in a hazardous financial condition.

31 **5. Exemption from other requirements.** Except as expressly provided in this
32 section, the requirements of this Title do not apply to a New Hampshire insurer or health
33 maintenance organization permitted to transact individual health insurance under this
34 section.

35 **6. Effective date.** The Health Care Choice Compact under subsection 1 becomes
36 effective and binding upon the approval of the Secretary of the United States Department
37 of Health and Human Services after legislative enactment by this State and New
38 Hampshire except that an individual health insurance policy, contract or certificate may
39 not be offered for sale in this State pursuant to this section before January 1, 2016.

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SUMMARY

2 This bill authorizes the Health Care Choice Compact with New Hampshire pursuant
3 to the federal Patient Protection and Affordable Care Act to allow insurers and health
4 maintenance organizations authorized to transact individual health insurance in New
5 Hampshire to offer their individual health plans for sale in this State. The bill requires
6 New Hampshire insurers and health maintenance organizations to meet certain
7 requirements of Maine law, including requirements for rating, provider network
8 adequacy, disclosure, reporting and grievance procedures. The bill provides that the
9 Health Care Choice Compact becomes effective and binding upon the approval of the
10 Secretary of the United States Department of Health and Human Services after legislative
11 enactment in New Hampshire and this State except that individual health insurance
12 policies, contracts and certificates may not be offered for sale pursuant to the compact
13 before January 1, 2016.